



### First half 2007 results

## **Enagás reported net profit of €117Mn in the first half of 2007**

- **EBITDA advanced 9.3% to €298.2Mn, compared to €272.8Mn obtained in 1H06.**
- **Good progress was made towards obtaining authorisation for gas infrastructure projects worth €1.6Bn in the first six months of the year.**
- **Enagás' Board of Directors approved investment projects worth €522.8Mn.**

In the first half of 2007 Enagás reported net profit of €117Mn, a 5.1% increase on the €111.3Mn reported in 1H06.

In 1H07 revenue from regulated activities totalled €390.3Mn vs. €361.5Mn in 1H06 (+8%). OIBDA for the first half of 2007 advanced 1.86% yoy to €109.3Mn vs. €107.3Mn.

EBITDA at 30 June 2007 totalled €298.2Mn, 9.3% higher than the €272.8Mn generated in 1H06.



The provision for depreciation of fixed assets in 1H07 amounted to €95Mn, an 18.1% rise yoy. This increase relates to the depreciation of assets brought on stream in 2006 and as a result of the reduction in the useful life of underground storage assets, as stipulated by Ministerial Order ITC 3995/2006 published on 30 December 2006.

EBIT for the first half of 2007 rose 5.6% to €203.1Mn compared to €192.3Mn in 1H06.

### Operating highlights

Total demand for gas transported in the system in 1H07 was 198,705 GWh, 2.6% below the 1H06 figure.

This fall in demand was due to a 9.4% decline in natural gas consumption for electricity generation vs. 1H06 because of the greater contribution of hydro and wind generation as well as milder weather in the first six months of the year.

In 1H07, natural gas transported for power generation was 30.2% of total demand compared to 32.5% in 1H06.

2Q 2006	2Q 2007	DEMAND FOR GAS TRANSPORTED (Markets)	Jan-June 2006	Jan-June 2007
		(GWh)		
10,143	9,445	Tariff market	33,522	30,036
79,518	81,399	De-regulated market	170,524	168,669
<b>89,661</b>	<b>90,844</b>	<b>Total demand transported</b>	<b>204,046</b>	<b>198,705</b>

In the first six months of 2007, some €49.9Mn worth of assets began operations. The most important projects brought on-stream were the second section of the Falces-Irurzun (Navarra) gas pipeline and the emission capacity increase (from 1,200,000 m<sup>3</sup>/h to 1,350,000 m<sup>3</sup>/h) at the group's regasification plant in Huelva.

In 1H07 Enagás invested a total of €1.1Mn on various projects and the Board of Directors approved further investment of €522.8Mn.



During the first half of 2007 significant progress was made towards obtaining authorisation for projects worth around €1.64Mn. Of this amount, €913Mn relate to projects for which direct authorisation has been obtained from the Ministry of Industry, Tourism and Commerce, €501Mn relate to projects which have already obtained the Environmental Impact Certificate and €225Mn to projects which have been granted the pertinent governmental authorisation.

Also, on 20 July Enagás obtained permission to operate the Yela underground natural gas storage terminal in Brihuega (Guadalajara). This will entail investment of €184Mn, plus investment in gas reserves (which cannot be extracted) and storage connections in the gas system. In total the Company will invest over €400Mn in this project.



### **Financial position**

Net financial debt at 30 June 2007 stood at €1.75Bn, compared to €1.51Bn at end-June 2006. The gearing ratio (net debt/total assets) at 30 June 2007 was 48.3% compared to 45.3% in 1H06.

The Company's average cost of debt for 2007 was 4.05%, compared to 3.52% at end-June 2006. Enagás has an interest rate hedge that caps €1Bn at a fixed rate of 4.32% until April 2008.

### **Significant events**

- **Cabinet approval for SEPI to acquire up to 5% of Enagás**

On 20 July, the Spanish State Holding Company (SEPI) informed the CNMV that the Cabinet had authorised it to acquire up to 5% of Enagás, S.A. The SEPI is responsible for implementing the decision.

- **Acquisition of 5% of Enagás**

On 5 July 2007, Enagás was informed by Bilbao Bizkaia Kutxa, BBK, that it had acquired 5% of its capital. Following this operation another savings bank has now joined the company's shareholder structure, which has invested in Enagás the maximum amount permitted by law.

- **Final dividend for 2006**

On 5 July, Enagás paid a gross dividend of €0.28 per share against 2006 results. This came after the interim dividend paid in January 2007, also charged against 2006 results. Therefore, the total gross dividend for 2006 was €0.47 per share, implying a pay-out of 52%.

- **Appointments of Board Committees**

At its meeting held on 20 June 2007, Enagás' Board of Directors appointed Carlos Egea Krauel, non-independent director, member of the Audit and Compliance Committee. Teresa García-Milá Lloveras, independent director, and Caja de Ahorros



del Mediterráneo (CAM) represented by Vicente Sala Belló, non-independent director, were also appointed members of the Appointments and Remuneration Committee

- **2007 General Shareholders' Meeting**

Enagás held its General Shareholders' Meeting on 11 May 2007. All resolutions put forward on the agenda were approved. The chairman, Antonio Llardén, summarised the company's major achievements in 2006 and its main strategic targets to 2012.

Madrid, 25 July 2007

**Communications and Chairman's Office**

**Tel: 91 709 93 40**

[dircom.pres@enagas.es](mailto:dircom.pres@enagas.es)

[www.enagas.es](http://www.enagas.es)